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Memorandum For: 

From:

Subject: CIA Uniqueness

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We have provided you with a considerable amount of data, both objective and anecdotal, which corroborates our contention that Agency employment is unique. I think you will agree that our Agency places special demands on its employees and that much of our personnel management policy must be tailored to Agency needs. The special authorities granted the Director of Central Intelligence in our enabling legislation represent acknowledgment on the part of Congress and the Administration that the Agency cannot be administered using precisely the same rules and regulations proscribed for other federal agencies.

The rationale for allowing greater flexibility in the administration of Intelligence community personnel varies from issue to issue, as documented in the attached citations; however, the underlying principle of special requirements dictated by the intelligence mission appears to be straightforward. Following are some examples:

- ✓ °The authority to recruit, hire and discharge Agency employees rests solely with the Director of Central Intelligence and requires neither review nor justification outside the Agency. This particular authority has been challenged (and confirmed) numerous times, and is currently being reviewed by the Supreme Court.
- ✓ °One of the first departures from Title 5 practices we established was our "rank-in-person" system versus the "rank-in-position" system used by other federal agencies. Our need to adapt to changing requirements, to provide developmental assignments for employees and to promote our most promising people without respect to a position grade which may or may not reflect current requirements, preclude a strict application of rank in position.
- ✓ °Promotions within the Agency are one grade at a time versus the two grade increases given by other federal agencies. This policy helps us to administer a rank-in-person system while staying within our personal services budget, which is predicated on average position grade.

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✓ °Special Agency-specific pay schedules for scientists, ADP professionals, engineers, and medical officers have been developed as well as a experimental pay systems in the Office of Communications and for Agency secretaries. All of these schedules were adopted to enhance our ability to attract and retain critical skills.

°The Agency has a unique employee spouse program facilitating joint assignments as well as guaranteeing reemployment at current grade on return to duty when joint assignments cannot be arranged. This program was developed and implemented to address the increasing number of disincentives facing dual income families who are needed overseas.

°The Agency provides overseas compensation which is 9.6% higher than domestic compensation similar to the pay system adopted by the Foreign Service.

✓ °The Central Intelligence Agency Retirement and Disability System (CIARDS) differs from the retirement system in the rest of the federal government and provides unique benefits to those Agency employees who qualify. We have provided you a considerable amount of documentation justifying our need for this system which was generated during the Congressional hearings on retirement reform.

The attached copy of testimony given by Senator Durenberger on 7 November 1985 provides an excellent example of Congress' acknowledgment of the Agency's uniqueness. Recognizing the special needs and requirements of the Agency, Congress has responded by providing special authorities and confirming the right, indeed the obligation, of the Director of Central Intelligence to invoke these authorities at his discretion. We therefore believe that Congress and the Administration have repeatedly and consistently acknowledged the Agency's uniqueness.

New issues constantly arise which demand intelligence attention: economic and financial stability of foreign governments, technology transfer, treaty verification, narcotics, terrorism, and the explosion of developments in the scientific and technological fields are just some of the issues which now require daily intelligence vigilance. The Agency has also experienced an increasing demand by other federal agencies to provide them with support. Our mission continues to grow as must our responsiveness to the changing needs of our employees.

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The Agency must have a flexible, proactive personnel system which is conducive to hiring and retaining individuals of the high caliber required to conduct intelligence collection and analysis. We wish to ensure that the interests of the Agency and its employees are protected to the maximum extent possible. The DCI's current statutory authority must continue to be exercised in order to meet the unique requirements of this intelligence organization.

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